

Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 06988 070904Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 CIAE-00 INR-10 NSAE-00 INT-05
/036 W

-----034637 080615Z /15

R 070855Z APR 78
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 0112
USDOC WASHDC
INFO AMEMBASSY BONN
AMEMBASSY PARIS

C O N F I D E N T I A L MOSCOW 06988

USDOC FOR BEWT/TDAD

E.O.11652:GDS
TAGS:EEWT, EMIN, GW, FR, UR
SUBJECT: STATUS OF SAYANSK ALUMINUM SMELTER

REF: (A) STATE 86135, (B) MOSCOW 4523, (C) 77 USDOC 18257,
(D) 77 MOSCOW 13219 (ALL NOTAL)

1. DURING CALL ON MINISTER OF FOREIGN TRADE PATOLICHEV
APRIL 6 (SEPTTEL), AMBASSADOR TOLD MINISTER THAT WE ARE
WATCHING WITH INTEREST DEVELOPMENTS RELATED TO THE SAYANSK
ALUMINUM SMELTER CONSTRUCTION CONTRACT. NOTING THAT ALCOA
IS A COMPETITOR FOR PART OF THIS PROJECT HE ASKED THE
MINISTER FOR A STATUS REPORT.

2. PATOLICHEV RESPONDED: "THIS ITEM IS ON OUR AGENDA." HE
POINTED OUT THAT BID FROM FRENCH FIRM PECHINEY IS ALSO
BEFORE MFT. "NOW, I DON'T KNOW TO WHOM PREFERENCE WILL BE
GIVEN," PATOLICHEV STATED. "IT DEPENDS ON TERMS AND
CONDITIONS." HE RECALLED THAT SOVIETS HAVE ALREADY
PURCHASED FROM PECHINEY AND ARE PRESENTLY CONSTRUCTING
ALUMINA ORE REFINERY AT NIKOLAYEV, ADDING THAT PECHINEY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 06988 070904Z

WAS CERTAINLY "COUNTING" ON WINNING THIS BID AS WELL.
PATOLICHEV SAID THAT SOVIET INDUSTRIAL SPECIALISTS ARE
EXAMINING THE TECHNICAL ASPECTS OF THE PROPOSALS. AS FOR
MFT, HE SAID, IT WOULD BE DEALING WITH THE COMMERCIAL SIDE.
NEGOTIATIONS WITH ALCOA WERE "QUITE ACTIVE," AND DEPUTY
MINISTER SUSHKOV WAS CHARGED WITH CONDUCTING THEM FOR THE
MFT. "HE IS FIGHTING FOR YOUR COMPANY," PATOLICHEV SAID.

3. PATOLICHEV THEN STATED THAT DEPUTY MINISTER OF FOREIGN TRADE KOMAROV HAD LEFT YESTERDAY FOR PARIS TO DEVELOP A LONG TERM INDUSTRIAL AND TRADE PROGRAM BETWEEN THE USSR AND FRANCE, WHICH HE SAID WOULD COVER THE PERIOD UP TO 1990. KOMAROV WOULD BE TRYING TO INCLUDE THE SAYANSK CONTRACT IN THIS PROGRAM, PATOLICHEV NOTED. THE AMBASSADOR POINTED OUT THAT PATOLICHEV WOULD HAVE TO MAINTAIN HIS IMPARTIALITY (IN THE FACE OF POSSIBLE DIVIDED COUNSEL FROM HIS DEPUTIES). PATOLICHEV RESPONDED IN GOOD HUMOR THAT HE IS "ALWAYS" IMPARTIAL AND THAT ONLY OBJECTIVE CONSIDERATIONS WOULD DECIDE THE DAY.

4. COMMENT: WITH REFERENCE TO MKRTUMOV'S PRESENTATION ON THIS SUBJECT TO DAS LUERS (REF A), THIS IS NOT THE FIRST TIME SOVIETS HAVE SEEMED TO BE MISINFORMED ABOUT THIS PROJECT. ALCOA AND KLOECKNER HAVE SUBMITTED A JOINT BID AND ARE NOT, TO OUR KNOWLEDGE, IN ANY COMPETITION. EARLIER (REF D) WE WERE TOLD BY AN MFT OFFICIAL THAT ALCOA HAD SUBMITTED ITS BID "LATE," WHICH WE THEN AND NOW REGARDED AS INACCURATE. WE HOPE THAT THE AMBASSADOR'S EXPRESSION OF OUR INTEREST IN THIS PROJECT DIRECTLY TO PATOLICHEV WILL BE TOGETHER WITH DAS LUERS COMMENTS AND PREVIOUS EMBASSY SUPPORT, SUPPORTIVE OF ALCOA'S BID. WHILE THE SOVIETS SAY THAT OBJECTIVE CONSIDERATIONS WILL DECIDE, THEY MAY REGARD THE VIEWS OF VARIOUS INTERESTED GOVERNMENT REPRESENTATIVES

CONFIDENTIAL

PAGE 03 MOSCOW 06988 070904Z

AS SUCH A "CONSIDERATION." TOON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ALUMINUM, CONSTRUCTION, NEGOTIATIONS, INDUSTRIAL PLANTS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MOSCOW06988
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780152-0107
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780481/aaaacque.tel
Line Count: 95
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3f9ad4b4-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 86135, 78 MOSCOW 4523, 77 MOSCOW 13219
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3042207
Secure: OPEN
Status: NATIVE
Subject: STATUS OF SAYANSK ALUMINUM SMELTER
TAGS: EEWT, EMIN, GE, FR, UR
To: STATE COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/3f9ad4b4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014